

**STATE OF ARIZONA**

**DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

In the Matter of:

**IMPERIAL CASUALTY AND  
INDEMNITY COMPANY**

**IN LIQUIDATION**

(SBS No. 49207611)

Petitioner.

**No. 22A-030-INS**

**ORDER FOR RELEASE OF  
WORKERS' COMPENSATION  
DEPOSIT**

Arizona Revised Statutes ("A.R.S.") § 23-961 provides that workers' compensation deposits shall be held by the Director of the Arizona Department of Insurance and Financial Institutions ("Director") as security for fulfillment of the obligations of an insurer under Title 23. Upon proper order of a court of competent jurisdiction to the receiver, the Director shall issue an Order releasing deposited funds pursuant to A.R.S. § 20-588(A)(3).

**FINDINGS OF FACT**

1. Imperial Casualty and Indemnity Company ("Imperial" or "Petitioner") is an Oklahoma domiciled insurer that transacted workers' compensation insurance business in Arizona.

2. On May 12, 2010, a Consent Order of Liquidation with a Finding of Insolvency and Permanent Injunction ("Consent Order") was filed in the District Court of Oklahoma County, State of Oklahoma, case No. CJ-2010-2340. Per the Consent Order Imperial was placed in receivership due to being "impaired and/or insolvent" and the

1 Commissioner of the Oklahoma Insurance Department was hereby appointed Receiver of  
2 Imperial.

3 3. Imperial placed a workers' compensation deposit ("WC Deposit") pursuant to  
4 A.R.S. § 23-961 with the Arizona Department of Insurance and Financial Institutions  
5 ("Department") held through the Arizona State Treasurer, currently in the approximate  
6 amount of \$ 140,975.09.

7 4. On December 31, 2021, the Department entered into a Special Deposit  
8 Release Agreement with Petitioner for the purpose of releasing the special deposit proceeds;  
9 paying the claims of the Arizona Property and Casualty Insurance Guaranty Fund and the  
10 Special Fund of the Industrial Commission of Arizona; paying the Department's  
11 administrative expenses; and turning over the remaining balance to the Liquidator.

12 5. On April 29, 2022, the District Court of Oklahoma County, State of  
13 Oklahoma entered an order granting receiver's application for approval of the Special  
14 Deposit Release Agreement.

15 **CONCLUSIONS OF LAW**

16 6. Petitioner is entitled to the release of the WC Deposit pursuant to A.R.S. § 20-  
17 588(A)(3).

18 7. The Director has no personal liability for the release of the WC Deposit made  
19 in good faith as provided in A.R.S. § 20-588(B).

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**ORDER**

THEREFORE IT IS ORDERED that the WC Deposit in the approximate amount of \$140,975.09 shall be released and distributed pursuant to the instructions in the Arizona Special Deposit Release Agreement.

Effective this 1<sup>st</sup> day of **June**, 2022.



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Evan G. Daniels, Director  
Arizona Department of Insurance and Financial Institutions

1 COPY of the foregoing mailed/delivered  
this 2nd day of June, 2022 to:

2 Imperial Casualty and Indemnity Company  
3 Mark Tharp, Assistant Receiver  
Tharp & Associates, Inc.  
4 [larrif@tharpassociates.com](mailto:larrif@tharpassociates.com)  
[mtharp@tharpassociates.com](mailto:mtharp@tharpassociates.com)

5 Lori D. Nestor, Executive Director  
6 Arizona Department of Insurance and Financial Institutions  
Insurance Guaranty Funds Office  
7 100 N. 15<sup>th</sup> Ave., Ste. 261  
Phoenix, AZ 85007

8 Deian Ousounov, Assistant Director  
9 Gio Espinosa, Regulatory Legal Affairs Officer  
Kurt Regner, CFE, Assistant Director  
10 Cary W. Cook, Chief Financial Compliance Officer  
Ana Starcevic, Paralegal Project Specialist  
11 Arizona Department of Insurance and Financial Institutions  
100 N. 15<sup>th</sup> Avenue, Suite 261  
12 Phoenix, AZ 85007-2630

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